

RECORDATION NO. 20358 FILED

AUG 16 '99

1-45 PM

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
918 SIXTEENTH STREET, N W  
SUITE 200  
WASHINGTON, D C

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

20006-2973

(202) 393-2266

FAX (202) 393-2156

OF COUNSEL  
URBAN A. LESTER

August 16, 1999

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Grant of Security Interest in Lessee's Rights under Equipment Lease and Assignment of such Security Interest, dated August 12, 1999, a secondary document, as defined in the Board's Rules for the Recordation of Documents

The enclosed document relates to the Memorandum of Railroad Equipment Lease which was previously filed with the Board under Recordation Number 20358

The names and addresses of the parties to the enclosed document are.

Debtor                      Bangor & Aroostook Railroad Company  
Northern Maine Junction Park  
RR2 Box 45  
Bangor, ME 04401-9602

Secured Party           Allfirst Financial Center  
25 S. Charles Street  
Baltimore, MD 21201

Debtor                      Allfirst Financial Center  
25 S. Charles Street  
Baltimore, MD 21201

Mr. Vernon Williams  
August 16, 1999  
Page Two

Secured Party: Bank Austria Creditanstalt  
Corporate Finance, Inc  
2 Greenwich Plaza  
Greenwich, CT 06830

Debtor Allfirst Financial Center  
25 S Charles Street  
Baltimore, MD 21201

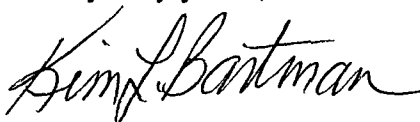
Secured Party: Bank Austria Creditanstalt  
SBIC, Inc.  
2 Greenwich Plaza  
Greenwich, CT 06830

A description of the railroad equipment covered by the enclosed document is  
set forth in the Memorandum of Railroad Equipment Lease previously filed  
herein

Also enclosed is a check in the amount of \$26 00 payable to the order of the  
Surface Transportation Board covering the required recordation fee

Kindly return two stamped copies of the enclosed document to the undersigned

Very truly yours,

  
for Robert W. Alvord

RWA/bg  
Enclosures

AUG 16 99

1:45 PM

**MEMORANDUM OF GRANT OF SECURITY INTEREST  
IN LESSEE'S RIGHTS UNDER EQUIPMENT LEASE AND  
ASSIGNMENT OF SUCH SECURITY INTEREST**

This Memorandum of Grant of Security Interest in Lessee's Rights Under Equipment Lease and Assignment of such Security Interest is made and entered into this 12-day of August, 1999 by (i) Bangor & Aroostook Railroad Company, a Maine corporation ("BAR"), (ii) Allfirst Financial Center, National Association, as trustee under a Trust Agreement dated August 12, 1999 for the benefit of Progress Rail Services Corporation ("AFC"), (iii) Bank Austria Creditanstalt Corporate Finance, Inc. ("BACCF") and (iv) Bank Austria Creditanstalt SBIC, Inc. ("SBIC").

BAR is lessee and has a leasehold interest in certain rolling stock equipment under a lease with Compass Rail II as Lessor dated November 1, 1996 and titled Railroad Equipment Lease Agreement ("Equipment Lease). The Equipment Lease, or a memorandum of the Equipment Lease, setting forth a description of the rolling stock equipment subject thereto was filed with the Surface Transportation Board on November 8, 1996 under Recordation No. 20358.

Pursuant to an IRR Security Agreement dated as of August 12, 1999 among, *inter alia*, BAR as debtor ("BAR") and AFC as secured party, BAR granted to AFC a security interest in substantially all its property including "any interest, if any, in, and, subject to the landlord's rights, under any and all leases, subleases,...and...leasehold interests...relating to equipment".

Pursuant to a Security Agreement dated as of August 12, 1999 between AFC as debtor and BACCF as secured party, AFC assigned to BACCF as collateral all of the security interests granted to it under the IRR Security Agreement referenced above.

Pursuant to an SBIC Security Agreement dated as of August 12, 1999 between AFC as debtor and SBIC as secured party, AFC assigned to SBIC as collateral all of the security interests granted to it under the IRR Security Agreement referenced above.

This Memorandum shall be filed with the Surface Transportation Board under the Recordation No. referenced above to perfect, and give notice of, the grant of security interest and the collateral assignments of such security interest described above.

In Witness Whereof, BAR, AFC, BACCF and SBIC have caused this Memorandum to be executed as of the date first above written.

***Bangor & Aroostook Railroad Company***

By Robert T. Schmidt

***Allfirst Financial Center, National Association, as Trustee***

By Robert D. Brown

***Bank Austria Creditanstalt Corporate Finance, Inc.***

By Arthur W. Spedel, VP

By Joseph J. Sussman, VP

***Bank Austria Creditanstalt SBIC, Inc.***

By Arthur W. Spedel, VP

By Joseph J. Sussman, VP

State of New York )  
 )  
County of New York ) ss.

On the 10<sup>th</sup> day of August, 1999 before me personally came Arthur W. Seidel  
to me known, who being by me duly sworn, did depose and say that he resides in  
New York; that he is the Vice President of  
Bank Austria Creditanstalt SBIC, Inc., the corporation described in and which executed the  
above instrument; and that he signed his name thereto by authority of the board of directors of  
said corporation.

Shannon Scott  
Notary Public

[Notarial Seal]  
My Commission Expires:

SHANNON SCOTT  
Notary Public, State of New York  
No. 01SC  
Qualified in Nassau County  
Commission Expires Oct. 19, 2000

State of New York )  
 )  
County of New York ) ss.

On the 17<sup>th</sup> day of August, 1999 before me personally came Lynn M. Sussina  
to me known, who being by me duly sworn, did depose and say that he resides in  
Connecticut; that he is the Vice President of  
Bank Austria Creditanstalt SBIC, Inc., the corporation described in and which executed the  
above instrument; and that he signed his name thereto by authority of the board of directors of  
said corporation.

Shannon Scott  
Notary Public

[Notarial Seal]  
My Commission Expires:

SHANNON SCOTT  
Notary Public, State of New York  
No. 01SC6014776  
Qualified in Nassau County  
Commission Expires Oct. 19, 2000

State of New York )  
 )  
County of New York ) SS.

On the 12<sup>th</sup> day of August, 1999 before me personally came Robert T. Schmidt to me known, who being by me duly sworn, did depose and say that he resides in Virginia; that he is the President + CEO of Bangor & Aroostook Railroad Company, the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation.

Shannon Scott  
Notary Public

[Notarial Seal]  
My Commission Expires:

SHANNON SCOTT  
Notary Public, State of New York  
No. 01SC6014776  
Qualified in Nassau County  
Commission Expires Oct. 19, 2000

State of New York )  
 )  
County of New York ) SS.

On the 12<sup>th</sup> day of August, 1999 before me personally came Robert D. Brown to me known, who being by me duly sworn, did depose and say that he resides in Maryland; that he is the Assistant Vice President of Allfirst Financial Center, National Association, the association described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said association.

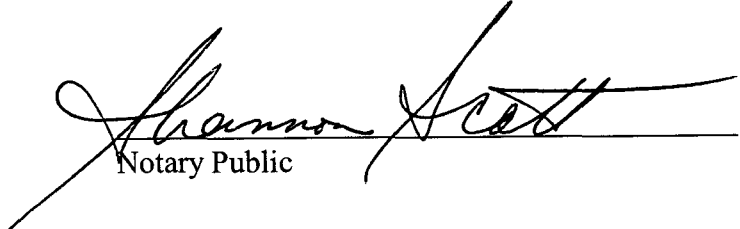
Shannon Scott  
Notary Public

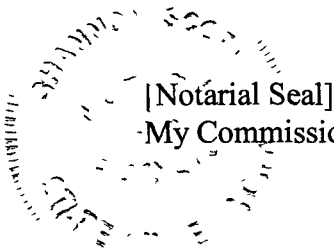
[Notarial Seal]  
My Commission Expires:

SHANNON SCOTT  
Notary Public, State of New York  
No. 01SC6014776  
Qualified in Nassau County  
Commission Expires Oct. 19, 2000

State of New York )  
 )  
 ) SS.  
County of New York )

On the 17<sup>th</sup> day of August, 1999 before me personally came Arthur W. Seidel  
to me known, who being by me duly sworn, did depose and say that he resides in  
New York; that he is the vice President of  
Bank Austria Creditanstalt Corporate Finance, Inc., the corporation described in and which  
executed the above instrument; and that he signed his name thereto by authority of the board of  
directors of said corporation.

  
Notary Public

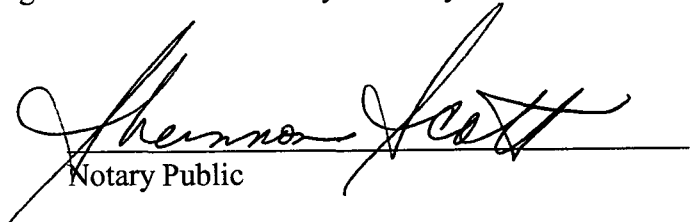


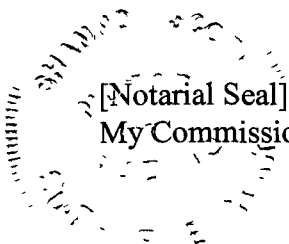
My Commission Expires:

SHANNON SCOTT  
Notary Public, State of New York  
No. 01SC6014776  
Qualified in Nassau County  
Commission Expires Oct. 19, 2000

State of New York )  
 )  
 ) SS.  
County of New York )

On the 17<sup>th</sup> day of August, 1999 before me personally came Lynn M. Sussina  
to me known, who being by me duly sworn, did depose and say that he resides in  
Connecticut; that he is the Vice President of  
Bank Austria Creditanstalt Corporate Finance, Inc., the corporation described in and which  
executed the above instrument; and that he signed his name thereto by authority of the board of  
directors of said corporation.

  
Notary Public



My Commission Expires:

SHANNON SCOTT  
Notary Public, State of New York  
No. 01SC6014776  
Qualified in Nassau County  
Commission Expires Oct. 19, 2000